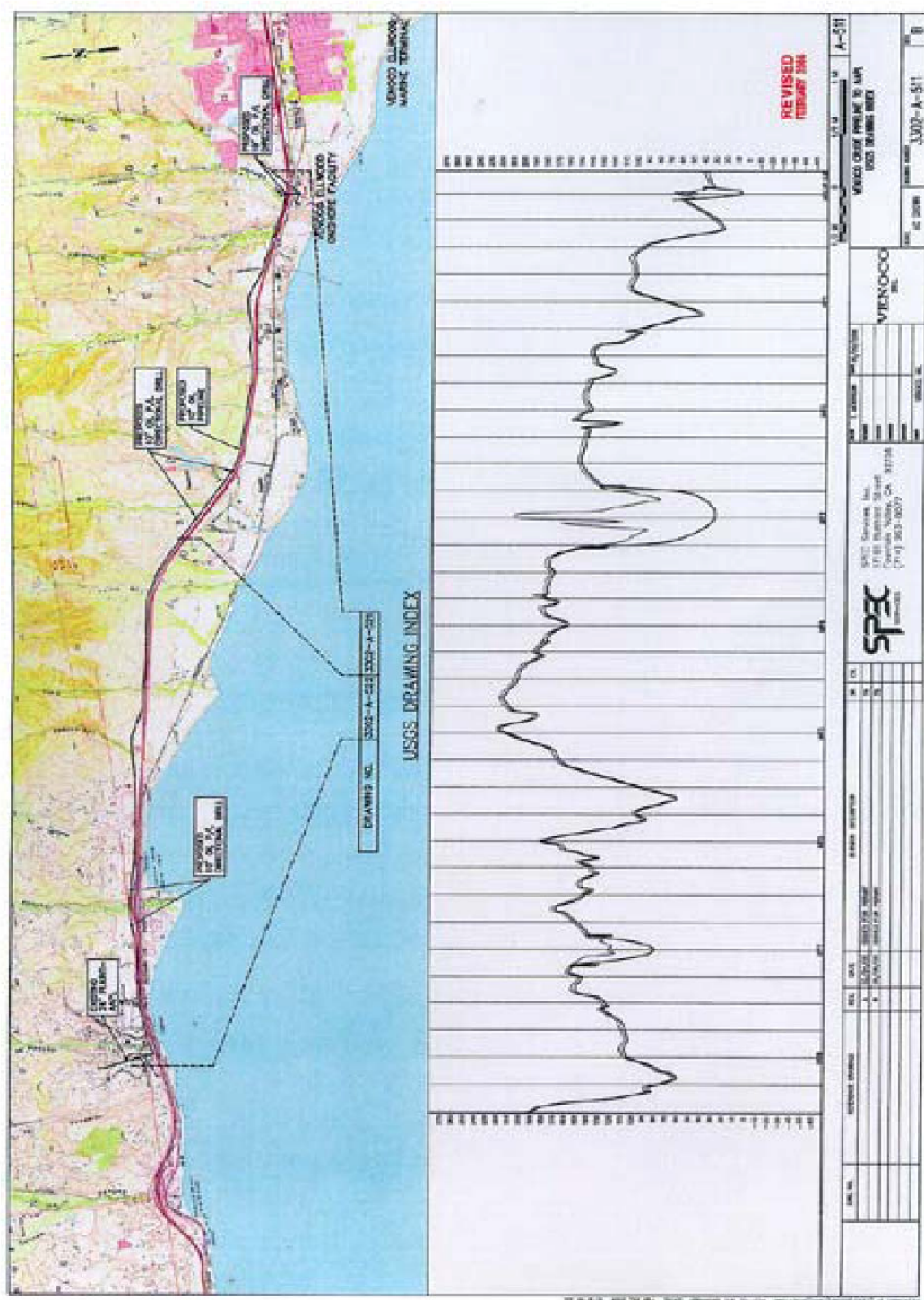


Notice of Preparation: Ellwood Oil Development and Pipeline Project
California State Lands Commission
June 27, 2006

Attachment 1
Figure 5



The replacement power cable would be designed to operate at 16.5 kV, with conductor size of 250 kcmil. Using this cable connected to the appropriate distribution equipment would have an ampacity of approximately 350A (10 MVA transformer FLA) with a voltage drop of less than 1%. This would provide sufficient power for existing equipment and proposed upgrades. In addition, the replacement cable would incorporate integral fiber optic and hard wire communication cables, which would allow for transmission of voice and data signals to shore.

The anticipated life of any offshore power cable is subject to many variables, which make long-term life difficult to forecast. These variables include the quantity and severity of voltage transients, loading profile, physical damage, and physical installation stresses. Manufacturers typically only warranty new cables for a period of one year. However, compared to cables which were installed in the Santa Barbara Channel 20 years ago and rated for a 20 year design life, today's cables are manufactured with better dielectric insulating materials, improved manufacturing controls and stronger armor. It is Venoco's intention to include a cable with a design life goal of 40 years.

Electrically, the new sub-sea cable would need new and safer equipment to handle the new loads required by Holly. The existing 12.47 kV/16.5 kV auto-transformer would be replaced with an existing 10MVA substation 12.47 kV/16.5 kV step-up transformer with its secondary side connected to a new circuit breaker with the necessary protective devices. At the platform, the new cable would terminate at an existing disconnect switch.

The existing power cable would be abandoned in place. It is then proposed to excavate a trench in the existing 40-foot roadway easement to the beach. The new cable would then be direct-buried across the shore crossing and then laid generally parallel to the existing cable and existing pipelines to the platform. A new 8-inch I-tube riser and cable hangoff would be installed to support the cable connection to the platform.

Onshore installation of the cable would involve conventional trench excavation techniques, consisting of backhoe trench excavation and laying of direct-bury cable. The trench is expected to be 4 feet deep by 2 feet wide x 1000 feet. The trench would be backfilled and surface re-compacted to match existing conditions. The general time frame for the shore side installation of the cable is expected to take two weeks, and would be coordinated with the offshore cable lay portion of the work so as to minimize any "open hole" time. Within the cable right-of-way across the golf course, the work would be scheduled such that the amount of construction activity is compressed to less than 5 days of excavation activity; and where work must be suspended overnight or for any days of inactivity the trench would be plated over with temporary covers.

Once the cable is laid to the beach, it would be sand-jetted into a trench across the surf zone, using a sand jetting sled or water jetting tool. Once offshore, the cable would be laid using a conventional cable-lay barge. Alternatively, depending upon resource availability, a dynamically-positioned cable reel vessel may be used to lay the cable.

As part of the proposed project, the existing 2-inch utility waterline that runs from the EOF to Platform Holly would be repaired and placed back into operation. This pipeline was installed in 1966, and was damaged in 1983 and has since been unavailable for use. Repair of this waterline would entail the replacement of approximately 2,500 feet of existing 2-inch pipeline. To allow the repair of this pipeline, the existing line would be exposed and cut at two locations; 1) at a shore-side location located on the beach above the surf zone and 2) offshore at a point in approximately 45 feet in water depth. The existing pipeline would be left in place, within the existing pipeline bundle, and would be formally

abandoned when all of the remaining Platform Holly pipelines are abandoned at the end of the Platform Holly production life cycle.

Installation of New ESP Powerhouse on Platform Holly

This project would provide for the installation of a new Electrical Submersible Pump (ESP) power control building, to be installed on Platform Holly. Presently, oil is produced using gas lift. Venoco would like to provide for the eventual conversion of the gas lift wells to wells, which depend upon downhole ESPs for lift. The ESPs offer greater flexibility and efficiency in production lift operations. Venoco desires to provide an ESP powerhouse to provide future electrical space to accommodate the Variable Frequency Drives (VFDs) that would typically be used to support ESPs.

In order to provide enough space for the new ESP Powerhouse and associated transformers, it would be necessary to provide for expansion of the available deck space. It is proposed to plate in a portion of the existing sub-deck area, thus creating more floor space with which to set the new equipment. The structural framing required to support this deck expansion would be conducted in concert with the on-going seismic review. It is possible that Venoco may elect to substitute open deck grating in lieu of solid plating for portions of the new deck.

In addition to the proposed ESP powerhouse, it would be necessary to provide space for the step-up transformers associated with ESP wells. Step-up transformers increase the voltage output of the VFD drives (typically at 480 volts) to a voltage suitable for delivery to the ESP pump, typically between 1100 and 2400 volts.

Installation of the ESP powerhouse would require use of the existing platform crane, air tuggers, welding rigs, and use of marine vessels for delivery of components to the platform. The work is not expected to require use of any specialized heavy lift vessels or offshore cranes. Approximately 3 months is anticipated to be required for on-site installation of pre-assembled deck panels, and an additional month for on-site assembly of a shop-built ESP Powerhouse.

1.4.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading Facilities

This section describes the proposed abandonment of the EMT, Line 96 pipeline, and associated facilities. Once construction of the new crude oil pipeline (Ellwood to Las Flores Canyon) is complete and the pipeline is operational, the existing EMT would be decommissioned. Abandonment of the facility would involve the following actions:

- Magnetic survey of ocean bottom.
- Abandon and remove all EMT components above and below ground.
- Abandon in place the 10-inch pipeline, Ellwood Line 96.
- Abandon in place certain portions of the 10-inch subsea cargo pipeline.
- Offshore Site Cleanup Verification - Side Scan Sonar & Remote Operated Vehicle (ROV) using video and Mesotech sonar equipment.
- Following abandonment of the EMT components, a Phase I and Phase II site assessment would be conducted. Based on the results, a site closure plan would be prepared for approval by the appropriate agencies. In addition, a Restoration Erosion Control, and Restoration Program (RECRP) would be developed for approval and implementation.

Offshore site cleanup would include recovery of items noted during the side scan and bathymetric survey conducted in September 1999. Recovery of additional items that may be identified by a magnetic survey would also be included in the cleanup plan. A magnetic survey would be performed just prior to

the cleanup activities to ensure that all man-made features present at the time cleanup activities commenced are removed from the site. Site cleanup verification would be accomplished utilizing a combination of side scan sonar and ROV (remote operated vehicles) surveys using video and Mesotech sonar equipment.

As required by the CSLC letter dated July 15, 2000, and in accordance with Marine Facilities Division Policy, all pipelines associated with the Ellwood Offshore Marine Oil Terminal (MOT) would be flushed with water in order to remove residual oil and grease to a standard of less than 15 ppm for Total Petroleum Hydrocarbons (TPH), in preparation for abandonment.

An independent third-party laboratory would be contracted to provide for sampling and testing of flush water. A sampling and testing procedure would be developed for review and approval prior to commencing any flushing operations. Samples would be grabbed by laboratory technicians or their agents, in accordance with EPA sampling protocols appropriate for the application. Samples would be laboratory tested in accordance with EPA methods, using either a fixed (office) or field laboratory. A chain of custody procedure would be developed as part of the sampling and testing procedure to allow for accurate tracking and documentation of the samples and test results.

Terminal piping (including the existing marine loading line) would be purged of oil, using seawater and nitrogen to displace oil into the EMT tankage. Temporary bypass piping would be required in order to allow for reverse flow from the marine terminal loading line backward into the existing oil storage tanks. A workboat, stationed offshore at the mooring and equipped with seawater pumps, would be used to perform the final line flush. Flexible pipeline pigs would be inserted into the end of a sub-sea pig launcher temporarily installed on the end of the pipeline. The pigs would be pushed using seawater toward the tanks. Alternately, once the line has been cleaned of oil, compressed air (provided by air compressors located on the work boat) may be used for the final line displacement. Once purged and cleaned of oil, the existing offshore EMT loading line would be filled with grout and abandoned in place, between the offshore flange connection and the minus 15-foot Mean Low Water Line. The remainder of the EMT loading line would be removed in its entirety.

After being purged of oil, the terminal piping systems would also be removed from the terminal. Temporary pumps would then be used to transfer any captured oil back towards the EOF for recovery and treating in the existing plant. Alternatively, the water may be trucked to an approved disposal site directly from the EMT. Recovered oil would be shipped out of the EOF using tanker trucks or vacuum trucks. The oil transfer pipeline (including Line 96) between the EMT and the EOF would have any remaining oil displaced using firewater and foam pigs. Finally, the firewater would be displaced from the line using nitrogen and foam pigs. After the transfer pipeline has been cleaned of oil and inerted with nitrogen, the approximate 1,103-foot long 6-inch pipeline Venoco segment connecting Line 96 to the EMT would be removed, and the remainder of Line 96 between the EMT and EOF would be isolated and left in place. This segment of Line 96 could be used in the future as a conduit for power or communications cables. Alternatively, the segment could be grout filled, using a cement slurry mixture.

Tank cleaning would then commence by degassing the tanks and flushing with seawater. Wastewater generated from tank cleaning will be recovered at the EMT and trucked to Class 1 or Class 2 disposal site. Any remaining residual oil and sludge would be tested in accordance with federal and state regulations to see if it may be beneficially recycled. Material that is deemed to be waste would be categorized as to hazardous/non-hazardous and removed and disposed of in accordance with regulations. After tank cleaning is completed, the tanks would be physically cut up and removed from the site. Steel that is removed would be recycled.

After tank removal, a Phase I and Phase II site assessment would be conducted to determine the presence and extent of contamination. Any necessary remediation of the underlying soil would take place, based on this assessment, along with removal of foundations, pipe supports, and other substructures. Erosion control and revegetation activities would then commence. The existing water connection would be protected and maintained to provide for temporary establishment and maintenance of vegetation.

The dismantling and removal of the EMT would take place in phases. Some of the phases would occur sequentially while others may occur simultaneously. The general order of removal would be 1) to flush and clean all tanks, piping, and machinery; 2) remove all piping and utilities; dismantle and remove all tanks and structures; 3) demolish and remove all foundations; 4) conduct site assessment and remediate as required; and 5) restore the site and revegetate the site to original conditions as required.

An estimated 145 round trip truck trips would be required to remove all of the materials recovered from the site. This includes truck trips to dispose of wastewater generated from flushing pipelines and tanks. Truckloads were estimated based on a single truckload of 25,000 pounds or 12.5 tons, and water trucks at 4,000 gallons per truck load. However, most of the materials are recyclable and would probably be segregated into lots, which may serve to increase the number of truck tips. With three trucks, it is expected that approximately 6 days of trucking would be required to remove all of the materials recovered from the site. The estimated number of truck trips is based on available information and is subject to change based on actual conditions.

2.0 SCOPE OF ENVIRONMENTAL IMPACT REPORT

Pursuant to the State CEQA Guidelines section 15060, the CSLC staff conducted a preliminary review of the proposed Project. Based on the potential for significant impacts, an EIR was deemed necessary. Issues to be discussed in the EIR are provided below. The EIR would also consider alternatives to the proposed Project, including the No Project Alternative, as required by the CEQA. Additional issues and/or alternatives may be identified at the public scoping meeting, in written comments, or as part of the EIR process. We invite comments and suggestions as to the following significant impacts that are proposed to be addressed in the EIR.

3.0 PERMITS AND PERMITTING AGENCIES

According to the Applicant, the Ellwood operations and associated facilities are currently in compliance with all applicable regulatory requirements. Local, State and federal agencies that have permits or approvals associated with existing operations, and that have, or may have, approval or oversight over aspects of the proposed Project, include the agencies listed below:

- California State Lands Commission (CEQA Lead Agency)
- California Coastal Commission
- California Department of Fish and Game, Office of Oil Spill Prevention and Response (OSPR)
- California Department of Fish and Game, Marine and South Coast Region
- California Department of Transportation
- California State Fire Marshall
- Central Coast Regional Water Quality Control Board
- Santa Barbara Air Quality Management District
- City of Goleta
- Santa Barbara County
- UC Santa Barbara

- U.S. Environmental Protection Agency Region IX
- U.S. Army Corps of Engineers
- U.S. Fish & Wildlife Service
- U.S. Coast Guard

4.0 ALTERNATIVES ANALYSIS

In accordance with section 15126.6 of the State CEQA Guidelines (California Governor's Office of Planning and Research 2001), an EIR must "describe a range of reasonable alternatives to the Project, or to the location of the Project, which would feasibly attain most of the basic objectives of the Project, but would avoid or substantially lessen any of the significant effects of the Project, and evaluate the comparative merits of the alternatives." The State CEQA Guidelines also require that a No Project Alternative be evaluated, and that under specific circumstances, an environmentally superior alternative be designated from among the remaining alternatives.

4.1 ALTERNATIVES PROPOSED FOR CONSIDERATION

This section includes a description of alternatives to the proposed Project that would be provided in the EIR for a comparative analysis of the potential impacts to those identified for the proposed Project.

4.1.1 Proposed Project and Application for General Plan Amendment and Rezone of the EOF

This alternative would include all the components of the proposed Project provided above (Sections 1.4.1 to 1.4.5) and include an application by Venoco to the city of Goleta to amend the general plan and rezone the EOF. This would be a requirement if the proposed upgrades as provided in the EOF Operations (Section 1.4.2) do not meet the requirements for a Limited Exception Determination (LED).

4.1.2 Oil Pipeline Installation, Power Generation on Holly, Decommissioning of the EMT

This alternative would include all the components of the proposed Project provided above (Section 1.4.1 to 1.4.5) with the exception of the proposed upgrades to the EOF Operations (Section 1.4.2). Power generation as provided in the proposed Project would be installed on Platform Holly rather than as part of the EOF Operations and there would be no upgrades to the existing EOF. The EOF, as it is currently designed and built, may have the capacity to process all of the oil and gas that would be produced from the proposed Project. This alternative may be viable should the city of Goleta determine that the proposed modifications to the EOF would not be allowed under the provisions of a LED.

4.1.3 Oil Pipeline Installation, Offshore Amine, Onshore CO₂/CARB

This alternative would decommission EMT, retain EOF as Sales Compressor Station and Oil Treating and Sweet Gas treating Unit, and move sour gas treating to Platform Holly. Sweet gas would continue to have LPGs and CO₂ removed at EOF using upgraded equipment. Oil from Platform Holly would be sent to the EOF for final oil dehydration. Sell oil through a new onshore pipeline to the All American Pipeline. LPGs to continue to be stored in bullet tanks and blended with sales oil or trucked offsite for sale. Install on-site power generation at EOF. Compress and send sales gas from EOF into The Gas Company Pipeline. Replace existing submarine power cable between EOF and Platform Holly, repair existing and damaged 2-inch utility line between EOF and Platform Holly.

This alternative is predicated upon the ability to utilize an offshore amine plant to successfully provide for offshore separation of the sulfur compounds from the produced gas stream, and to produce an acid gas stream that would be disposed of using an acid gas injection well into the Rincon formation. Due

to reservoir volume limitations, it is necessary to limit the acid gas flow stream to sulfur compounds that are removed by the amine plant, and to minimize the amount of Carbon Dioxide (CO₂) that would be injected into the Rincon formation. This requires the use of a "High Slip" amine, which permits the unhindered passage of CO₂ with the sweetened gas.

4.1.4 Oil Pipeline Installation, Offshore Amine, CARB, Dehy

This alternative would decommission EMT and EOF gas processing and retain EOF as Sales Gas Compressor Station, Oil pumping station and for Oil Sulfur Polishing. Sour gas sweetening, CO₂ removal, and CARB processing of gas would move to Platform Holly. Install power generation equipment on Platform Holly. Sell oil through a new onshore pipeline to the All American Pipeline. Compress and send sales gas from the EOF into The Gas Company Pipeline using existing compressor at EOF. Replace existing submarine power cable between EOF and Platform Holly, repair existing and damaged 2-inch utility line between EOF and Platform Holly.

4.1.5 Oil Pipeline Offshore to LFC Installation, Gas Pipeline Offshore to Las Flores Canyon

This alternative includes decommissioning EMT (including offshore mooring), EOF (except for switchgear building), and Oil Line 96. This alternative would ship oil emulsion through a new offshore oil pipeline into the existing ExxonMobil Las Flores Canyon facility. The oil destination would be the All American Oil Pipeline through existing tie-in at Las Flores Canyon. Replace existing submarine power cable between EOF and Platform Holly. Repair existing and damaged 2-inch utility line between EOF and Platform Holly.

This alternative is predicated upon the ability to utilize the existing POPCO and ExxonMobil gas and oil processing plants to successfully provide for trim separation of produced oil and for separation of the sulfur compounds from the produced gas stream, and to produce an acid gas stream that would be converted to elementary sulfur within the existing plant or with a new gas treatment facility to be built in Las Flores Canyon per Santa Barbara County consolidation policies and ExxonMobil's final development permit.

4.1.6 No Project Alternative

The No Project Alternative would be that current operations would continue as they presently exist (see Section 1.3 Setting above) and subject to the existing lease terms and conditions.

5.0 POTENTIAL ENVIRONMENTAL EFFECTS

Although the design of the double walled pipelines should reduce chances for a spill to occur and installation of a leak detection sensor would shut the wells down in the event of a pipeline leak, the CSLC, acting as Lead Agency under the CEQA, has determined that: (1) there still is a reasonable possibility of an oil spill occurring from the oil production during its lifespan; (2) such an oil spill could have a significant effect on the physical environment; and (3) other aspects of the project's construction and operations could also have a significant effect on the environment. Issues to be discussed in the EIR are described below. Proposed "Significance Criteria" that could be applied to each impact area are also listed.

5.1 ENVIRONMENTAL ISSUE AREAS

5.1.1 Visual Resources

The area in which the project is located is surrounded by a golf courses, coastal bluffs, the beach/ocean, and is considered scenic by local residents and visitors. Individuals frequenting the Ellwood area, the golf course, or in vessels close offshore may be sensitive to the visual impact of the proposed on- and offshore work and modifications to Platform Holly.

Significance Criteria

Visual impacts are considered significant if one or a combination of the following apply:

- The project is inconsistent with or in violation of public policies, goals, plans, laws, regulations or other directives concerning visual resources;
- Routine operations and maintenance visually contrast with or degrade the character of the viewshed; or
- The project results in a perceptible reduction of visual quality, lasting for more than one year that is seen from moderately to highly sensitive viewing positions. A perceptible reduction of visual quality occurs when, for a highly sensitive view, the visual condition is lowered by at least one Visual Modification Class (VMC); or for a moderately sensitive view, the condition is lowered by at least two VMCs.

5.1.2 Air Quality

The Santa Barbara County Air Pollution Control District (SBCAPCD) monitors the Ellwood oil and gas lease area. The EIR would analyze: the sources of emissions that would be associated with the proposed Project and alternatives, the types and amounts of different pollutants that could be emitted, and the duration of the impact; and, potential impacts and mitigation measures associated with odor and toxic air contaminant emissions.

Significance Criteria

The air quality impacts of the proposed Project would be significant if it:

- Contributes to an exceedance of localized Carbon Monoxide (CO) emissions in excess of the State Ambient Air Quality Standard, i.e., 20 parts per million (ppm) for 1 hour (a single event or release) or 9 ppm for 8 hours (a continuous release);
- Results in emissions which exceed the following emission thresholds: Reactive Organic Gases (ROG), 15 tons/year, 80 lbs/day, Nitrogen Oxides, 15 tons/year, 80 lbs/day, and PM₁₀ Particulates (suspended particulate matter 10 microns or less in diameter), 15 tons/year, 80 lbs/day;
- Allows uses that create objectionable odors that would be considered a nuisance under SBCAPCD Rule 303, or exceed the offsite concentrations identified in SBCAPCD Rule 310;

- Exposes sensitive receptors (including residential areas) or the general public to substantial levels of toxic air contaminants or objectionable odors; or
- Results in the accidental release of acutely hazardous air emissions.

5.1.3 Biological Resources: Marine and Onshore

Onshore sensitive biological resources include coastal scrub and wetland environments near the Ellwood onshore facilities and along the pipeline route and wintering and breeding habitat of the western snowy plover, a federally listed threatened species, along the shore line. Additionally, the project area is located near the Santa Barbara Channel (Channel), an important migration route for marine mammals, fishes and seabirds. The area also contains diverse and rich assemblages of resident marine flora and fauna. Issues associated with the Project include:

Its potential adverse effects on the on- and offshore environments in the event of an accidental oil spill or subsequent clean up activities, as well as adjacent wetland losses resulting from discharge or oil spills. There are also potential construction related impacts associated with the proposed pipeline route and decommissioning of the EMT

Significance Criteria

An impact on biological resources would be considered significant if any of the following apply:

- There is a potential for any part of the population of a threatened, endangered, or candidate species to be directly affected or if its habitat is lost or disturbed;
- If a net loss occurs in the functional habitat value of: a sensitive biological habitat, including salt, freshwater, or brackish marsh; marine mammal haul-out or breeding area; eelgrass; river mouth; coastal lagoons or estuaries; seabird rookery; or Area of Special Biological Significance;
- There is a potential for the movement or migration of fish or wildlife to be impeded; or
- If a substantial loss occurs in the population or habitat of any native fish, wildlife, or vegetation or if there is an overall loss of biological diversity. Substantial is defined as any change that could be detected over natural variability.

5.1.4 Commercial and Sports Fisheries

The marine resources in the Santa Barbara Channel support commercial fisheries, mariculture, and kelp harvesting.

The following significance criteria will be used to assess the impacts of construction, operation, and accidents from the proposed Project and alternatives.

Significance Criteria

An impact would be considered significant if:

- fishing opportunities are lost or displaced due to marina or fishing access closures; adverse effects on fish and habitat; or equipment or vessel loss, damage, or required subsequent replacement.

5.1.5 Mineral Resources/Energy

The proposed Project or alternatives have the potential to affect energy and mineral resources.

Significance Criteria

A significant impact would occur if the project would:

- Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state;
- Conflict with the adopted California energy conservation plans; or
- Use non-renewable energy resources in a wasteful and inefficient manner.

5.1.6 Geological Resources

The Ellwood facilities are located on a coastal marine terrace and include a series of east-west elongated folds and high angle reverse and strike-slip faults, including the active More Ranch Fault. The facilities of the proposed project may be susceptible to damage resulting from an earthquake on this fault or from several other faults active in the area. Seismically induced ground failure or other geologic hazards, such as corrosion or excessive coastal erosion, could result in an oil spill. Remediation of such spills would, in turn, potentially cause soil erosion induced water quality impacts to nearby Devereux Slough and the Pacific Ocean from the offshore facilities and local creeks and drainages from the onshore facilities.

Significance Criteria

Seismic effects could result in significant hazards to structures when facility design or construction is insufficient. Impacts are considered significant if any of the following conditions apply:

- Settlement of the soil that could substantially damage structural components of the Ellwood oil and gas facilities;
- Ground motion due to a seismic event that could induce liquefaction, settlement, or a tsunami that could damage structural components;
- Deterioration of structural components of Ellwood oil and gas facilities due to corrosion, weathering, fatigue, or erosion that could reduce structural stability; or
- Damage to petroleum pipelines and/or valves along the pipelines from any of the above conditions that could release crude oil into the environment.

5.1.7 Hazards and Hazardous Materials

This section would describe those aspects of the existing environment and structural integrity of the facilities that may impact operational safety, or that may be affected by an accident associated with the operation of the proposed Project, including the transportation of crude oil and petroleum products to and from the on- and offshore facilities. Additionally, handling petroleum products has an inherent risk of accidents that may involve fire, explosions and/or spills. The EIR would address the potential adverse

health consequences, e.g., exposure to toxic and hazardous substances, fire, explosions or spills in conjunction with continued use of the facility. The analyses would include:

- Evaluation of the risk of an accident/explosion and release of hazardous substances and the impact on plant and animal life;
- Evaluation of the human and technological safety of the offshore platform, on- and offshore pipelines, and processing facility operations;
- Evaluation of the Project's oil spill prevention and response and hazardous materials plans and their effectiveness, with emphasis on prevention, equipment and deployment capabilities and procedures; and
- Modeling of the spread of an oil spill, which could occur, and evaluation of its potential impact on plant and animal life under different ocean and stream current conditions and seasonal variations.

Significance Criteria

A hazards and/or hazardous materials impact is considered significant if any of the following apply:

- If the existing facility does not conform to its oil spill contingency plans or other plans that are in effect; or if current or future operations may not be consistent with federal, state or local regulations. Conformance with regulations does not necessarily mean that there are not significant impacts;
- There is a potential for fires, explosions, releases of flammable or toxic materials, or other accidents from the wells or pipelines that could cause injury or death to members of the public; or
- Existing and proposed emergency response capabilities are not adequate to effectively mitigate spills and other accident conditions.

Although the potential for oil or product spills would be discussed in this section, the potential impact of spills would also be analyzed in other, appropriate resource-related sections e.g., marine biology, water quality, land and recreation uses.

5.1.8 Hydrology, Water Resources and Water Quality

The significance of impacts would be considered in the context of whether the proposed Project construction and its operations or alternatives would likely result in pollutant levels above ambient water quality and sediment levels that would exceed water quality objectives of the Central Coast Regional Water Quality Control Board or the State Water Resources Control Board.

Continued and increased oil production could result in oil spills due to geologic hazards, mechanical failure, structural failure, or human error. Such spills could potentially result in water quality impacts to the beach, shallow groundwater, Pacific Ocean, and coastal stream and drainages. Potential impacts to the marine environment include increased water column turbidity and the introduction of toxic contaminants into the water column.

Significance Criteria

Impacts to marine and freshwater water quality are considered significant if any of the following apply:

- The water quality objectives contained in the Water Quality Control Plan for the Central Coast are exceeded;
- The water quality objectives in the California Ocean Plan (SWRCB 1997) are exceeded;
- The water quality criteria in the Proposed California Toxics Rule (EPA 1997) are exceeded;
- Project operations or discharges that change background levels of chemical and physical constituents or elevate turbidity producing long-term changes in the receiving environment of the site, area, or region, thereby impairing the beneficial uses of the receiving water occur; or
- Contaminant levels in the water column, sediment, or biota are increased to levels shown to have the potential to cause harm to marine organisms even if the levels do not exceed formal objectives in the Water Quality Control Plan.

5.1.9 Land Use, Planning and Recreation

Each of the components of the proposed Project and alternatives would be examined in light of existing and planned land uses in the Goleta and Santa Barbara County coastal area, including existing and potential coastal and water-related recreational use.

Significance Criteria

Land use/recreational impacts would be considered significant if the project would result in the following:

- Conflicts with adopted land use plans, policies, or ordinances;
- Result in conflicts with planning efforts to protect the recreational resources of the project area;
- Incompatible adjacent land uses as defined by planning documentation; or
- Residual impacts on sensitive shoreline lands, and/or water and non-water recreation due to a release of oil.

5.1.10 Noise

Noise from the EOF and Platform Holly is not expected to exceed present level of its existing operations. Construction of the new pipeline and decommissioning of the EMT may temporarily generate noise to sensitive receptors until the work is completed. The EIR will examine changes in noise emissions at the various facilities and the potential impact of noise from all components of the proposed Project and alternatives.

Significance Criteria

A noise impact is considered significant if:

- Noise levels from project construction activities or operational use exceed criteria defined in a noise ordinance or general plan of the local jurisdiction in which the activity occurs or may have direct or indirect effects.

5.1.11 Fire Protection/Emergency (Oil Spill) Response

The CSLC has determined that there is a reasonable possibility of an oil spill occurring from any of the facilities associated with the proposed Project and alternatives during its projected operational life. This could have a significant effect on the physical environment and require additional fire protection and emergency response services.

Significance Criteria

Impacts to fire protection and emergency response services would be considered significant if:

- Continued operation of the project creates the need for one or more additional personnel to maintain the current level of fire protection and emergency response services.

5.1.12 Transportation

The proposed Project and alternatives will temporarily increase truck traffic during construction of the new pipeline and decommissioning of the EMT. The EIR will examine the potential impacts of this increased traffic on State Route 101 and other local roads.

Significance Criteria

Traffic impacts would be considered significant if:

- The proposed Project or alternatives cause a roadway to become degraded to a lower Level of Service (LOS) from its present LOS.

5.1.13 Cultural Resources

The operation and maintenance activities of the proposed Project and alternatives will mostly be restricted to the portions of existing industrial facilities, i.e., EOF and Platform Holly; nonetheless, there is a potential for operation and maintenance-related impacts to cultural resources that may be located in nearby areas. Other project components where new construction is proposed, such as the pipeline to Las Flores Canyon or where pipeline segments are to be removed, may have construction related impacts to cultural resources that may be located within the proposed pipeline route. The EIR will examine the potential for any such impacts.

The State CEQA Guidelines (section 15064.5) define "historical resources" as follows:

Any object, building, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California may be considered to be an historical resource, provided the lead agency's determination is supported by substantial evidence in the light of the whole record. Generally, a resource shall be considered by the lead agency to be "historically significant" if the resource has integrity and meets the criteria for listing on the California Register of Historical Resources as follows:

- Is associated with events that have made a significant contribution to the broad patterns of California's history and cultural heritage;
- Is associated with the lives of persons important in our past;
- Embodies the distinctive characteristics of a type, period, region, or method of construction, or represents the work of an important creative individual, or possesses high artistic values; or
- Has yielded, or may be likely to yield, information important in prehistory or history.

Significance Criteria

Thresholds of significance for cultural resource impacts for the project are defined as situations where construction or operation of the project could:

- Result in damage to, the disruption of, or adversely affect a property that is listed in the California Register of Historical Resources (CRHR) or a local register of historical resources as per Section 5020.1 of the Public Resources Code;
- Cause damage to, disrupt, or adversely affect an important prehistoric or historic archaeological resource such that its integrity could be compromised or eligibility for future listing on the CRHR diminished; or
- Cause damage to or diminish the significance of an important historical resource such that its integrity could be compromised or eligibility for future listing on the CRHR diminish.

5.2.14 Environmental Justice

The CSLC developed and adopted an Environmental Justice Policy to ensure equity and fairness in its own processes and procedures. This policy stresses equitable treatment of all members of the public and commits to consider environmental justice in its processes, decision-making, and regulatory affairs which is implemented, in part, through identification of, and communication with, relevant populations that could be adversely and disproportionately impacted by CSLC projects or programs, and by ensuring that a range of reasonable alternatives is identified that would minimize or eliminate environmental impacts affecting such populations.

This portion of the EIR would analyze the distributional patterns of high-minority and low-income populations on a regional basis. The analysis would focus on whether the proposed Project's impacts would have the potential to affect an area(s) of high-minority population(s) and low-income communities disproportionately, thereby creating an environmental justice impact.

Significance Criteria

An environmental justice impact would be considered significant if the proposed Project or alternatives would:

- Have a potential to disproportionately impact minority and/or low-income populations at levels exceeding the corresponding medians for the County in which the project is located; or

Notice of Preparation: Ellwood Oil Development and Pipeline Project
California State Lands Commission
June 27, 2006

Attachment 1

- Result in a substantial disproportionate decrease in the employment and economic base of minority and/or low-income populations residing in the County and/or immediately surrounding cities.

6.0 CUMULATIVE EFFECTS

In accordance with the CEQA section 15130, the EIR would discuss the cumulative impacts of the proposed Project and address the likelihood of occurrence and severity of the potential impacts. The EIR would discuss other oil production operating in the area, foreseeable projects in the general vicinity, and projects in or near project area.

Notice of Completion

Mail to: State Clearinghouse, 1400 Tenth Street, Sacramento, CA 95814 916/445-0613

SCH #

Project Title: Ellwood Oil Development and Pipeline Project**Lead Agency:** California State Lands Commission**Contact Person:** Eric L. Gillies

2008081146

Street Address: 100 Howe Ave., Suite 100 South**Phone:** (916) 574-1897**City:** Sacramento**Zip:** 95825**County:** Sacramento

Project Location

County: Santa Barbara**City/Nearest Community:** Goleta, CA**Cross Streets:** Hollister Ave.**Total Acres:****Assessor's Parcel No.** 079-210-042**Section:** Twp. Range: Base:**Within 2 Miles:** State Hwy #: 101**Waterways:** Pacific Ocean**Airports:****Railways:** Southern Pacific RR **Schools:** Ellwood Union School

Document Type

CEQA: ☒ **NOP**☐ Early Cons☐ Neg Dec☐ Draft EIR☐ Supplemental Subsequent☐ EIR (Prior SCH No.)☐ Other**RECEIVED**

JUN 28 2006

3:17 PM

STATE CLEARING HOUSE

☐ NOI☐ EA☐ Draft EIS☐ FONSI**Other:** ☐ Joint Document☐ Final Document☐ Other

Local Action Type

☐ General Plan Update☐ General Plan Amendment☐ General Plan Element☐ Community Plan☐ Specific Plan☐ Master Plan☐ Planned Unit Development☐ Site Plan☐ Resource☐ Prozone☐ Use Permit☐ Land Division (Subdivision☐ Parcel Map, Tract Map, etc.)☐ Annexation☐ Redevelopment☐ Coastal Permit☒ **Other: Oil and Gas Lease**

Development Type

☐ Residential: Units _____ Acres _____☐ Office: Sq.Ft. _____ Acres _____ Employees _____☐ Commercial: Sq.Ft. _____ Acres _____ Employees _____☐ Industrial: Sq.Ft. _____ Acres _____ Employees _____☐ Educational☐ Recreational☐ Water Facilities: Type _____ MGD☐ Transportation: Type _____☐ Mining: Mineral☐ Power: Type _____ Watts☐ Waste Treatment: Type _____☐ Hazardous Waste: Type _____☒ **Other: Oil and Gas, Pipeline**

Project Issues Discussed in Document

☐ Aesthetic/Visual☒ **Agricultural Land**☒ **Air Quality**☐ Archeological/Historical☒ **Coastal Zone**☐ Drainage/Absorption☐ Economic/Jobs☐ Fiscal☐ Flood Plain/Flooding☐ Forest Land/Fire Hazard☒ **Geologic/Seismic**☒ **Minerals**☐ Noise☐ Population/Housing Balance☐ Public Services/Facilities☒ **Recreation/Parks**☐ Schools/Universities☐ Septic Systems☐ Sewer Capacity☒ **Soil Erosion/Compaction**☐ Solid Waste☒ **Toxic/Hazardous**☐ Traffic/Circulation☒ **Vegetation**☒ **Water Quality (Marine)**☐ Water Supply/Groundwater☒ **Wetland/Riparian**☒ **Wildlife/Fisheries**☐ Growth Inducing☒ **Landuse**☒ **Cumulative Effects**☐ Other:

Present Land Use/Zoning/General Plan Use

Industrial (oil and gas), State Highway Route, and the Pacific Ocean.

Project Description

The PRC 3120.1 and 3242.1 are oil and gas leases that occupy State tide and submerged lands under the jurisdiction of the California State Lands Commission (CSLC). Venoco, Inc. has filed an application with the CSLC to expand oil development on PRC 3120.1 and 3242.1 from Platform Holly off the coast of Santa Barbara County and install a new pipeline from the Ellwood Onshore Facility connecting to the existing All American Pipeline at Las Flores Canyon. The proposed project also would decommission Ellwood Marine Terminal (PRC 3904) also under the jurisdiction of the CSLC.

Note: Clearinghouse will assign identification numbers for all new projects. If a SCH number already exists for a project (e.g. from a Notice of Preparation or previous draft document) please fill it in.

Reviewing Agencies Checklist**KEY**

S = Document sent by lead agency

X = Document sent by SCH

/ = Suggested Distribution

☒ Resources Agency
☒ Boating & Waterways
☒ Coastal Commission
☒ Coastal Conservancy
☐ Colorado River Board
☒ Conservation
☒ Fish & Game (Region 5)
☒ Forestry
☒ Office of Historic Preservation
☒ Parks & Recreation
☐ Reclamation
☐ S.F. Bay Conservation & Development Commission
☐ Water Resources (DWR)
Business, Transportation & Housing
☐ Aeronautics
☐ California Highway Patrol
☒ CALTRANS District #5
☐ Dept of Transportation Planning (Headquarters)
☐ Housing & Community Development
Food & Agriculture
Health & Welfare
☐ Health Services
State & Consumer Services
☐ General Services
☐ OLA (Schools)

Environmental Affairs

☐ Air Resources Board
☒ APCD/AQMD (Santa Barbara)
☐ California Waste Management Board
☐ SWRCB: Clean Water Grants
☐ SWRCB: Delta Unit
☒ SWRCB: Water Quality
☐ SWRCB: Water Rights
☒ Regional WQCB # (Region 3, Central Coast)

Youth & Adult Corrections

☐ Corrections

Independent Commissions & Offices

☒ Energy Commission
☒ Native American Heritage Commission
☒ Public Utilities Commission
☐ Santa Monica Mountains Conservancy
☐ State Lands Commission
☐ Tahoe Regional Planning Agency
☒ Other: Fish & Game (Marine Region)
☐ Other
☐ Other

Public Review Period (to be filled in by lead agency)

Starting Date: June 29, 2006

Ending Date: July 31, 2006

Signature: *Chris Guller*

Date: June 28, 2006

Lead Agency: California State Lands Commission

Consulting Firm: To be determined.

Address:

City/State/Zip:

Contact:

Phone:

For SCH Use Only:

Date Received at SCH:

Date Review Starts:

Date to Agencies:

Date to SCH:

Clearance Date:

Notes:

Applicant: Venoco, Inc.

Address: 5464 Carpinteria Ave., Suite J

City/State/Zip: Carpinteria, CA 93013

Contact: Steve Greig

INDEX TO NOP COMMENTS

Appendix B includes a copy of the Notice of Preparation (NOP) for the proposed Project, transcripts from the Public Scoping Hearings conducted on the NOP, copies of all comment letters received on the NOP during the public comment period, and an indication (Section or sub-Section) where each individual comment is addressed in the Draft EIR. **Table B-1** lists all comments and shows the comment set identification number for each letter or commenter. **Table B-2**, identifies the location where each individual comment is addressed in the Draft EIR. Comment letters are presented chronologically followed by the transcripts from the Public Hearing, and errata and minor text clarifications. The comments from the Applicant are presented at the end of the comment letters.

Table B-1
NOP Commenters and Comment Set Numbers

Agency /Affiliation	Name of Commenter	Date of Comment	NOP Comment Set
U.S. Army Corps of Engineers	Mathew W. Vandersande	7/25/06	1
U.S. Postal Service	Andrew Gentile	7/27/06	2
California Regional Water Quality Control Board	Roger W. Briggs	7/28/06	3
California Department of Fish and Game	Larry L. Eng, Ph.D.	7/31/06	4
Santa Barbara County Air Pollution Control District	Bobbie Bratz	7/25/06	5
Ventura County Air Pollution Control District	Alicia Stratton	7/31/06	6
Santa Barbara County Fire Department	Joshua Neipp	7/27/06	7
Environmental Defense Center	Linda Krop	7/28/06	8
League of Women Voters of Santa Barbara, Inc.	Connie Hannah	7/24/06	9
League of Women Voters of Santa Barbara, Inc.	Jean Holmes	7/24/06	10
Gaviota Coast Conservancy	Michael R. Lunsford	7/31/06	11
Get Oil Out!	Abe Powell	7/28/06	12
Property Owner	Robert Sollen	7/25/06	13
Property Owner	Diane Conn	7/31/06	14
Property Owner	Suzanne Null	7/28/06	15
Property Owner	Kathleen Gebhardt	7/24/06	16
Transcript from NOP Public Hearing 7/24/06 at 4:10 p.m.	Various	7/24/06	17
Transcript from NOP Public Hearing 7/24/06 at 7:10 p.m.	Various	7/24/06	18

**Table B-2
Responses to the NOP Comments**

Comment #	Responses
U.S. Army Corps of Engineers	
1-01	4.4.2 Federal Regulatory Setting addresses the Clean Water Act but not specifically Section 404, neither does it address Section 10 of the Rivers and Harbors Act
U.S. Postal Service	
2-01	Has been included on the list of interested parties.
California Regional Water Quality Control Board	
3-01	4.4.1 Regulatory Settings <i>Petroleum Hydrocarbons</i>
3-02	2.1.3 Ellwood Marine Terminal
3-03	2.1.1 Platform Holly (image referred to in NOP comment shows the 3-mile boundary as the lease boundary).
3-04	2.2.3 Proposed Project New Pipeline <i>Creek and Drainage Crossing</i>
3-05	2.2.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading. Remediation of soils and waters discussed in this section as well as Section 4.4.4 Impact Analysis and Mitigation).
3-06	2.2.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading Facilities (same wording as NOP)
3-07	2.2.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading Facilities.
3-08	4.4.3 Significance Criteria
3-09	4.4.1 Environmental Setting: Marine Water Quality <i>Seawater Properties/Impact WQ-1</i> Impacts to Marine Water Quality due to an Oil Spill from Offshore Facilities
3-10	4.4.3 Significance Criteria
3-11	4.4.2 Regulatory Setting: State
California Department of Fish and Game	
4-01	4.5.3 Marine Biological Resources/4.5.3 Onshore Biological Resources: Special Status Species
4-02	4.5.6 Impact Analysis and Mitigation
4-03	4.5.6 Impact Analysis and Mitigation
4-04	4.5.7 Analysis of Impacts from Alternatives
4-05	4.5.4 Regulatory Setting: State <i>California Endangered Species Act</i>
4-06	4.5. Regulatory Setting: State <i>California Lake and Streambed Alteration Program (Fish and Game Code section 1600 et. Seq.)</i>
4-07	4.5.2 Marine Biological Resources <i>Reef Substrate & Rocky Substrates</i>
4-08	4.5.2 Marine Biological Resources <i>Special Status Seabirds</i>
4-09	4.5.2 Marine Biological Resources <i>Commercial and Recreational Fisheries</i>
4-10	4.5.2 Marine Biological Resources <i>Sandy Beaches</i>
4-11	4.5.6 Impact Analysis and Mitigation
Santa Barbara County Air Pollution Control District	
5-01	4.3.3 Significance Criteria
5-02	4.3.3 Significance Criteria
5-03	4.3.1 Environmental Setting: Project Facilities Permits and Baseline Emissions <i>Health Risks Associated with the Project Facilities</i>
5-04	4.3.4 Impact Analysis and Mitigation: Impact AQ-1: Emissions from Construction
5-05	4.3.4 Impact Analysis and Mitigation: Impact AQ-1: Emissions from Construction
5-06	4.3.4 Impact Analysis and Mitigation: Impact AQ-1: Emissions from Construction
5-07	4.3.3 Significance Criteria: Construction Thresholds
5-08	4.3.4 Impact Analysis and Mitigation: Impact AQ-1: Emissions from Construction

**Table B-2
Responses to the NOP Comments**

Comment #	Responses
5-09	4.3 Air Quality
5-10	4.3.3 Significance Criteria: Construction Thresholds
5-11	4.3.3 Significance Criteria
5-12	Impact AQ-2: Increase in Emissions from Operations
5-13	Impact AQ-2: Increase in Emissions from Operations
5-14	2.3.2 Proposed Project EOF Modifications. Anhydrous ammonia is not being considered for use at the EOR. The SCR units will utilize urea to generate small amounts of ammonia vapor on demand.
5-15	4.3 Air Quality
5-16	4.3 Air Quality
5-17	Impact AQ-2: Increase in Emissions from Operations
5-18	4.3.1 Environmental Setting <i>Health Risks Associated with the Project Facilities</i>
5-19	4.3.1 Environmental Setting <i>Health Risks Associated with the Project Facilities</i>
5-20	4.3.1 Environmental Setting: Air Quality
5-21	4.3.1 Environmental Setting <i>Health Risks Associated with the Project Facilities</i>
5-22	4.3.1 Environmental Setting <i>Health Risks Associated with the Project Facilities</i>
Ventura County Air Pollution Control District	
6-01	Project emissions will not directly affect air quality in Ventura. Proposed project would eliminate all emissions within the VCAPCD jurisdiction.
6-02	Project emissions will not directly affect air quality in Ventura. Proposed project would eliminate all emissions within the VCAPCD jurisdiction.
Santa Barbara County Fire Department	
7-01	2.2.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading the workplan will be submitted to FPD for approval.
7-02	2.2.5 Decommissioning of the Line 96 Pipeline, EMT, and Offshore Loading the workplan will be submitted to FPD for approval.
Environmental Defense Center	
8-01	2.0 Project Description
8-02	2.1 Project Background and Current Operations
8-03	2.1 Project Background and Current Operations
8-04	2.1 Project Background and Current Operations
8-05	2.2.1 Lease Extensions and Platform Holly New Well Drilling
8-06	2.1.4 Lease 421
8-07	2.2.1 Lease Extensions and Platform Holly New Well Drilling
8-08	2.2 Proposed Project EOF Modifications
8-09	2.1.3 Ellwood Marine Terminal
8-10	3.0 Alternatives
8-11	3.3.2 Limited EOF Modifications
8-12	3.0 Alternatives
8-13	3.0 Alternatives
8-14	3.3.1 No Project Alternatives
8-15	2.1 Project Background and Current Operations
8-16	2.1 Project Background and Current Operations
8-17	2.1 Project Background and Current Operations
8-18	4.3 Air Quality
8-19	4.3.4 Impact Analysis and Mitigation

**Table B-2
Responses to the NOP Comments**

Comment #	Responses
8-20	4.3.1 Environmental Setting: Air Quality: 4.3.4 Impact Analysis and Mitigation
8-21	Impact AQ-4 Impact in Health Risk: 4.3.1 Environmental Setting: Air Quality
8-22	Impact AQ-3: Odor Emissions from Operations
8-23	4.5.5 Significance Criteria
8-24	4.5.3 Onshore Biological Resources: Special Status Species: 4.5.2 Offshore Biological Resources
8-25	4.4.1 Environmental Setting: Topography and Drainage
8-26	4.5.6 Impact Analysis and Mitigation: Impact BIO-1
8-27	4.5.6 Impact Analysis and Mitigation: Impact BIO-9: Noise and Lighting Impacts on Marine Mammals and Birds
8-28	4.12.2 Regulatory Setting: State
8-29	4.2.1 Environmental Setting
8-30	4.2.4 Impact Analysis and Mitigation Impact HM-2
8-31	4.4.4 Impact Analysis and Mitigation
8-32	4.7.1 Environmental Setting: Onshore Land Uses and Zoning Designations
8-33	4.11.5 Impact Analysis and Mitigation
8-34	4.7.2 Regulatory Setting
8-35	4.0 Environmental Analysis: Cumulative Related Future Projects
8-36	Decommissioning of Platform Holly is not part of the proposed project and would be the subject of CEQA review when abandonment of the platform is proposed by the owner.
8-37	4.3.6 Cumulative Project Impacts
League of Women Voters of Santa Barbara, Inc. - Connie Hannah	
9-01	2.1 Project Background and Current Operations
9-02	2.1 Project Background and Current Operations
League of Women Voters of Santa Barbara, Inc. - Jean Holmes	
10-01	Impact AQ-3 Odor Emissions from Project: Impact
10-02	4.3.4 Impact Analysis and Mitigation
10-03	Debris under platform Holly could contain toxic levels of hazardous materials, but is considered a baseline condition and is not affected by the proposed project.
Gaviota Coast Conservancy	
11-01	States Opposition to Project
11-02	2.1 Project Background and Current Operations
11-03	2.1 Project Background and Current Operations. 3.0 Alternatives
11-04	4.7.1 Environmental Setting: Onshore Land Uses and Zoning Designations
11-05	4.7.1 Environmental Setting: Onshore Land Uses and Zoning Designations
11-06	4.7.4 Land Use Impacts and Mitigation
Get Oil Out!	
12-01	2.1.3 Ellwood Marine Terminal: 2.1.4 Lease 421
12-02	2.1 Project Background and Current Operations
12-03	2.1 Project Background and Current Operations
12-04	2.2.1 Lease Extensions and Platform Holly New Well Drilling
12-05	2.1.3 Ellwood Marine Terminal
12-06	3.0 Alternatives
12-07	4.3.1 Environmental Setting
12-08	4.5.6 Impact Analysis and Mitigation: Impact BIO-1: Oil Spill Impacts to Marine

**Table B-2
Responses to the NOP Comments**

Comment #	Responses
	Biological Resources
	Robert Sollen
13-01	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling
13-02	2.1 Project Background and Current Operations
13-03	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling
13-04	2.2.1 Lease Extensions and Platform Holly New Well Drilling
	Diane Conn
14-01	Financial liability for an existing facility is outside the scope of an EIR.
14-02	4.5.6 Impact Analysis and Mitigation: Impact WQ-1: Impacts to Marine Water Quality due to an Oil Spill from Offshore Facilities
14-03	4.3.1 Environmental Setting: Air Quality: 4.3.4 Impact Analysis and Mitigation
14-04	Financial subsidies or tax write-offs are beyond the scope of CEQA and are not applicable to the scope of an EIR.
14-05	2.2.1 Lease Extensions and Platform Holly New Well Drilling
	Suzanne Null
15-01	2.2.1 Lease Extensions and Platform Holly New Well Drilling
15-02	4.3 Air Quality: 4.11 Visual: 4.12 Energy
15-03	4.11.5 Impact Analysis and Mitigation: Impact VR-5 Visual Effects from Pipeline Installation
15-04	Alternative marine transportation is inconsistent with existing policies and would not avoid or lessen a project-related significant impact. Therefore, a marine transportation alternative was not considered in the EIR.
15-05	4.3.1 Environmental Setting: Air Quality
	Kathleen Gebhardt
16-01	All issue area sections include Cumulative Impacts
16-02	4.3 Air Quality
16-03	4.5.1 Environmental Setting: 4.4.1 Environmental Setting
16-04	2.2 Proposed Project
	Transcript from NOP Public Hearing 8/3/04 at 4:10 p.m.
17-01	2.1.3 Ellwood Marine Terminal
17-02	2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-03	4.7.1 Environmental Setting: Onshore Land Uses and Zoning Designations
17-04	4.3.4 Impact Analysis and Mitigation: Impact AQ-3: Odor Emissions from Operation
17-05	4.3 Air Quality (suggestion not to rely on offsets too much in the area). Offset requirements are discussed under the SBCAPCD regulatory requirements. EIR mitigation focuses on emission reductions instead of offsets, where applicable.
17-06	4.5.2 Marine Biological Resources: 4.5.3 Onshore Biological Resources
17-07	Abandonment of Platform Holly is not part of the proposed project or alternatives. Potential abandonment impacts would undergo CEQA review following the cessation of production.
17-08	4.3.1 Environmental Setting: Air Quality
17-09	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-10	2.2.3 Proposed Project New Pipeline

**Table B-2
Responses to the NOP Comments**

Comment #	Responses
17-11	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-12	3.0 Alternatives
17-13	4.3.1 Environmental Setting: Air Quality: 4.3.4 Impact Analysis and Mitigation
17-14	2.2.3 Proposed Project New Pipeline
17-15	The diversion of State revenues is outside the scope of CEQA and inappropriate for evaluation in an EIR.
17-16	4.3.1 Environmental Setting <i>Health Risks Associated with the Project Facilities</i>
17-17	2.1.4 Lease 421
17-18	2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-19	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-20	2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-21	4.7.1 Environmental Setting: Onshore Land Uses and Zoning Designations
17-22	2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-23	3.0 Alternatives
17-24	3.0 Alternatives
17-25	2.1 Project Background and Current Operations
17-26	2.0 Project Description
17-27	2.1.4 Lease 421
17-28	2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-29	2.2.1 Lease Extensions and Platform Holly New Well Drilling
17-30	4.3.1 Environmental Setting: Air Quality: 4.5.6 Impact Analysis and Mitigation: Impact BIO-1: Oil Spill Impacts to Marine Biological Resources
17-31	3.0 Alternatives
Transcript from NOP Public Hearing 8/3/04 at 7:10 p.m.	
18-01	2.1.4 Lease 421
18-02	4.3.1 Environmental Setting: Air Quality
18-03	3.0 Alternatives
18-04	2.2.1 Lease Extensions and Platform Holly New Well Drilling: 4.7.1 Environmental Setting: Onshore Land Uses and Zoning Designations
18-05	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling: 4.3.4 Impact Analysis and Mitigation
18-06	Potential tax subsidies available to the applicant is not an environmental issue and is beyond the scope of a CEQA analysis.
18-07	4.5.6 Impact Analysis and Mitigation: Impact WQ-1: Impacts to Marine Water Quality due to an Oil Spill from Offshore Facilities
18-08	2.1 Project Background and Current Operations: 2.2.1 Lease Extensions and Platform Holly New Well Drilling
18-09	2.1.4 Lease 421
18-10	2.2.1 Lease Extensions and Platform Holly New Well Drilling
18-11	2.2.3 Proposed Project New Pipeline

From: "Vandersande, Matthew W SPL"
<Matthew.W.Vandersande@spl01.usace.army.mil>
To: <gilliee@slc.ca.gov>
Date: 7/25/2006 5:26:16 PM
Subject: EIR for Ellwood Oil Development

Hello Eric,

I received your notice of preparation of a draft EIR for the Veneco expansion project for Platform Holly, including the installation of new pipelines and decommissioning of the Ellwood Marine Terminal. Based on the project description, a permit will be required from our office pursuant to Section 10 of the Rivers and Harbors Act and Section 404 of the Clean Water Act. Please let the applicant know that more information (including an application) is available on our website at the address below. If you have any questions, please contact me at the number below.

1-01

Thanks,

Matthew

.....
Matthew Vandersande, D.Env.

Project Manager

U.S. Army Corps of Engineers

Regulatory Branch

2151 Alessandro Drive, Suite 110

Ventura, CA 93001

t: (805) 585-2151

f: (805) 585-2154

<http://www.spl.usace.army.mil/regulatory/>
.....

Dear Eric,

I am Acting Environmental Specialist for the US Postal Service, Pacific Facilities Service Office and will be reviewing the EIR for impacts on the USPS processing and distribution plant Goleta. Please include me on your list of interested parties.

■ 2-01

Thank you very much,

Andrew Gentile
Tetra Tech, Inc.
180 Howard Street, Suite 250
San Francisco, CA 94105
t 415.974.1221
c 415.377.3023

From: Yamakido, Laureen - San Bruno, CA [mailto:laureen.yamakido@usps.gov]
Sent: Thu 7/27/2006 4:53 PM
To: Andrew Gentile
Subject: NOTICE OF DRAFT EIR

Seems that I always get the notices AFTER the public meeting is held. Anyhow, can you please review and advise if we should have any concerns--we have a very large processing and distribution mail plant in Goleta.



Linda S. Adams
Secretary for
Environmental Protection

California Regional Water Quality Control Board Central Coast Region

895 Aerovista Place, Suite 101, San Luis Obispo, California 93401-7906
(805) 549-3147 • Fax (805) 543-0397
<http://www.waterboards.ca.gov/centralcoast>



Arnold Schwarzenegger
Governor

July 28, 2006

Mr. Eric Gillies, Staff Environmental Scientist
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

Dear Mr. Gillies:

VENOCO INC.; ELLWOOD OIL DEVELOPMENT AND PIPELINE PROJECT

Thank you for the opportunity to comment on the June 28, 2006 "Notice of Preparation of A Draft Environmental Impact Report and Notice of Public Scoping Meeting" for CSLC EIR No. 738, CSLC Ref Files W30119 and W40912 (NOP). Please consider the following comments. Page numbers refer to NOP pages.

- | | | |
|----|---|------|
| 1. | Page 5 refers to seep tents placed over gas and oil seeps on the ocean floor and states the tents were never capable of collecting oil. Might the tents be concentrating natural oil seepage to create pollution that would not occur naturally, and, if so, be better removed? | 3-01 |
| 2. | The NOP repeatedly refers to closure of the Ellwood Marine Terminal, yet page 6 discusses extending the lease to 2013. Is this to allow time to construct the replacement onshore pipeline? | 3-02 |
| 3. | Figure 4 on page 9 indicates the proposed lease boundary is up to roughly 25,000 feet offshore, well beyond the three mile (15,840 feet) state limit. | 3-03 |
| 4. | It is unclear whether proposed pipeline creek crossings discussed on page 11 are subsurface or above the creek. Streambed alteration projects require permits from US Army Corps of Engineers. | 3-04 |
| 5. | Page 14 discusses pipeline decommissioning but does not mention initial pressure testing for possible leakage nor testing and remediation of soils and water contaminated by such leakage. | 3-05 |
| 6. | The page 15 reference to a 15 ppm Total Petroleum Hydrocarbon (TPH) standard applied to pipe abandonment is not referenced. The 15 ppm TPH standard might not be adequately stringent to protect water quality. | 3-06 |

California Environmental Protection Agency



Recycled Paper

Mr. Eric Gilles

2

July 28, 2006

7. Page 16, paragraph 1 should also mention that all waters (surface and groundwater) will be remediated as necessary. 3-07
8. Page 22, Section 5.1.8, paragraph 1 would be more comprehensively written as "...whether the proposed Project construction and its operations or alternatives *could* result in pollutant levels above ambient water quality and sediment levels that *could cause exceedance of* water quality objectives..." 3-08
9. Page 22, Section 5.1.8, paragraph 2 should end with "...and sediment." 3-09
10. Page 23, Section 5.1.8 bullets should include "Any water quality criteria for any beneficial use of any impacted water is exceeded." However, realize the Section 5.1.8 wording means impacts above background concentrations but less than beneficial use standards are not significant, which is not necessarily acceptable. Generally, the goal in site remediation, regulated by the Central Coast Regional Water Quality Control Board pursuant to the California Water Code, is restoration of natural background conditions. 3-10
11. Page 23, Section 5.1.8 should reference the 2005 California Ocean Plan and 65 Federal Register 31682-31719 (May 18, 2000), adding Section 131.38 to 40 CFR, known as the California Toxics Rule, rather than older versions referenced. 3-11

We would appreciate if you send us a copy of the draft Environmental Impact Report to review when it becomes available. Please contact David Schwartzbart at (805) 542-4643 or dschwartzbart@waterboards.ca.gov with questions on these issues.

Sincerely,

for

Roger W. Briggs
Executive Officer

cc:

Mr. Stephen Grieg
Venoco, Inc.
5464 Carpinteria Avenue, #J
Carpinteria, CA 93013-1423

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State of California – The Resources Agency

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**Notice of Preparation of a Draft Environmental Impact Report
 for the Ellwood Oil Development and Pipeline Project
 SCH #2006061146**

The Department of Fish and Game (Department) appreciates this opportunity to comment on the above-referenced project, relative to impacts to biological resources. The proposed project involves the extension of oil and gas lease boundaries, safety improvements, the drilling of new wells and installation of new pipelines, and the de-commissioning of existing facilities.

To enable Department staff to adequately review and comment on the proposed project we recommend the following information, **where applicable**, be included in the Draft Environmental Impact Report:

1. A complete, **recent** assessment of flora and fauna within and adjacent to the project area, with particular emphasis upon identifying endangered, threatened, and locally unique species and sensitive habitats.
 - a. A thorough **recent** assessment of rare plants and rare natural communities, following the Department's Guidelines for Assessing Impacts to Rare Plants and Rare Natural Communities (attachment).
 - b. A complete, **recent** assessment of sensitive fish, wildlife, reptile, and amphibian species. Seasonal variations in use of the project area should also be addressed. Recent, focused, species-specific surveys, conducted at the appropriate time of year and time of day when the sensitive species are active or otherwise identifiable, are required. Acceptable species-specific survey procedures should be developed in consultation with the Department and U.S. Fish and Wildlife Service.
 - c. Rare, threatened, and endangered species to be addressed should include all those which meet the California Environmental Quality Act (CEQA) definition (see CEQA Guidelines, § 15380).
 - d. The Department's California Natural Diversity Data Base in Sacramento should be contacted at (916) 324-3812 to obtain current information on any previously

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reported sensitive species and habitats, including Significant Natural Areas identified under Chapter 12 of the Fish and Game Code. Also, any Significant Ecological Areas (SEAs), Significant Natural Areas (SNAs), or Environmentally Sensitive Habitats (ESHs) or any areas that are considered sensitive by the local jurisdiction located in or adjacent to the project area must be addressed.

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2. A thorough discussion of direct, indirect, and cumulative impacts expected to adversely affect biological resources, with specific measures to offset such impacts. This discussion should focus on maximizing avoidance, and minimizing impacts.
 - a. CEQA Guidelines, § 15125(a), direct that knowledge of the regional setting is critical to an assessment of environmental impacts and that special emphasis should be placed on resources that are rare or unique to the region.
 - b. Project impacts should also be analyzed relative to their effects on off-site habitats and populations. Specifically, this should include nearby public lands, open space, adjacent natural habitats, and riparian ecosystems. Impacts to and maintenance of wildlife corridor/movement areas, including access to undisturbed habitat in adjacent areas, should be fully evaluated and provided. The analysis should also include a discussion of the potential for impacts resulting from such effects as increased vehicle traffic and outdoor artificial night lighting.
 - c. A cumulative effects analysis should be developed as described under CEQA Guidelines, § 15130. General and specific plans, as well as past, present, and anticipated future projects, should be analyzed relative to their impacts on similar plant communities and wildlife habitats.
 - d. Impacts to migratory wildlife affected by the project should be fully evaluated. This can include such elements as migratory butterfly roost sites and neo-tropical bird and waterfowl stop-over and staging sites. All migratory nongame native bird species are protected by international treaty under the Federal Migratory Bird Treaty Act (MBTA) of 1918 (50 C.F.R. Section 10.13). Sections 3503, 3503.5 and 3513 of the California Fish and Game Code prohibit take of birds and their active nests, including raptors and other migratory nongame birds as listed under the MBTA.
 - e. Impacts to all habitats from City or County required Fuel Modification Zones (FMZ). Areas slated as mitigation for loss of habitat shall not occur within the FMZ.
 - f. Proposed project activities (including disturbances to vegetation) should take place outside of the breeding bird season (February 1- August 15) to avoid take (including disturbances which would cause abandonment of active nests containing eggs and/or young). If project activities cannot avoid the breeding bird season, nest surveys should be conducted and active nests should be avoided and provided with a minimum buffer as determined by a biological monitor (the Department recommends a minimum 500 foot buffer for all active raptor nests).

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